

REILLY TAR & CHEMICAL CORPORATION

TELEPHONE 317/638-7531
CABLE RETAR INDIANAPOLIS
TELEX 27-404



1510 MARKET CO. ARE. CENTE
151 NORTH DELAWARE STREET
INDIANAPOLIS INDIANA 46204



I am the chief financial officer of Reilly Tar & Chemical Corporation. This letter is in support of this firm's use of the financial test to demonstrate financial assurance, as specified in Subpart H of 40 CFR Parts 264 and 265.

1. This firm is the owner or operator of the following facilities for which financial assurance for closure or post-closure care is demonstrated through the financial test specified in Subpart H of 40 CFR Parts 264 and 265. The current closure and/or post-closure cost estimates covered by the test are shown for each facility:

	<u>Closure</u>	<u>Post-closure</u>
Reilly Tar & Chemical Corp. 1500 South Tibbs Avenue Indianapolis, Indiana 46241 IND000807107 <i>q TSD PA</i>	\$ 330,000.00	\$ 0.00
Reilly Tar & Chemical Corp. 19th & Edwardsville Road Granite City, Illinois 62040 ILD006278360 <i>q TSD PA</i>	1,600,000.00	180,000.00
Reilly Tar & Chemical Corp. 3201 Independence Road Cleveland, Ohio 44105 OHD083320945 <i>q TSD PA</i>	63,000.00	0.00

But - see page 3, line 3 -
Note, however this is 3 years
old - 1984 statements are
available prepared - but this
company is not publicly held.

Tom Lloyd

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5-5-85 349PM

	<u>Closure</u>	<u>Post-closure</u>
Reilly Tar & Chemical Corp. 1900 South Industrial Park Provo, Utah 84601 UTD009087644	\$ 53,000.00	\$ 0.00
Reilly Tar & Chemical Corp. Hwy. 259, South Lone Star, Texas 75668 TXD007328768	95,000.00	0.00
Total:	<u>\$2,141,000.00</u>	<u>\$180,000.00</u>

2. This firm guarantees, through the corporate guarantee specified in Subpart H of 40 CFR Parts 264 and 265, the closure or post-closure care of the following facilities owned or operated by subsidiaries of this firm. The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility:

	<u>Closure</u>	<u>Post-closure</u>
Reilly Tar & Chemical Corp. 1500 South Tibbs Avenue Indianapolis, Indiana 46241 IND000807107	\$ 330,000.00	\$ 0.00
Reilly Tar & Chemical Corp. 19th & Edwardsville Road Granite City, Illinois 62040 ILD006278360	1,600,000.00	180,000.00
Reilly Tar & Chemical Corp. 3201 Independence Road Cleveland, Ohio 44105 OHD083320945	63,000.00	0.00
Reilly Tar & Chemical Corp. 1900 South Industrial Park Provo, Utah 84601 UTD009087644	53,000.00	0.00
Reilly Tar & Chemical Corp. Hwy. 259, South Lone Star, Texas 75668 TXD007328768	95,000.00	0.00
Total:	<u>\$2,141,000.00</u>	<u>\$180,000.00</u>

3. In States where EPA is not administering the financial requirements of Subpart H of 40 CFR Parts 264 or 265, this firm, as owner or operator or guarantor, is demonstrating financial assurance for the closure or post-closure care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in Subpart H of 40 CFR Parts 264 and 265. The current closure and/or post-closure cost estimates covered by such a test are shown for each facility: None.
4. This firm is the owner or operator of the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanism specified in Subpart H of 40 CFR Parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility: None.

This firm is not required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on December 31. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended December 31, 1981.

ALTERNATIVE 1

1. Sum of current closure and post-closure cost estimates	\$ 2,321,000
* 2. Total liabilities	37,443,000
* 3. Tangible net worth	67,315,000
* 4. Net worth	67,315,000
* 5. Current assets	55,636,000
* 6. Current liabilities	17,366,000
7. Net working capital	38,270,000
* 8. The sum of net income plus depreciation, depletion, and amortization	17,368,000
* 9. Total assets in U. S.	71,817,000

ALTERNATIVE 1 (Cont.)

	<u>Yes</u>	<u>No</u>
10. Is line 3 at least \$10 million?	<u>X</u>	___
11. Is line 3 at least 6 times line 1?	<u>X</u>	___
12. Is line 7 at least 6 times line 1?	<u>X</u>	___
* 13. Are at least 90% of firm's assets located in the U. S.? If not, complete line 14.	___	<u>X</u>
14. Is line 9 at least 6 times line 1?	<u>X</u>	___
15. Is line 2 divided by line 4 less than 2.0?	<u>X</u>	___
16. Is line 8 divided by line 2 greater than 0.1?	<u>X</u>	___
17. Is line 5 divided by line 6 greater than 1.5?	<u>X</u>	___

I hereby certify that the wording of this letter is identical to the wording specified in 40 CFR 264.151(f) as such regulations were constituted on the date shown immediately below.

Signature

Rolla E. McAdams

Name

Rolla E. McAdams

Title

Vice President - Finance

Date

June 23, 1982

Ernst & Whinney

One Indiana Square, Suite 3400
Indianapolis, Indiana 46204

317/635-6393

Board of Directors
Reilly Tar & Chemical Corporation
Indianapolis, Indiana

We have examined the consolidated balance sheets of Reilly Tar & Chemical Corporation and subsidiaries as of December 31, 1981 and 1980, and the related consolidated statements of income, stockholders' equity and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements of Reilly Chemicals S.A., a consolidated subsidiary, which statements reflect total assets and sales constituting 31% and 24% in 1981 and 31% and 26% in 1980, respectively, of the related consolidated totals. These statements were examined by other auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included for Reilly Chemicals S.A., is based solely upon the reports of the other auditors. The report of the other auditors on the financial statements of Reilly Chemicals S.A. for the year ended December 31, 1981 is qualified with respect to the consistency of application of accounting principles because of the change, with which they concur, in Reilly Chemicals S.A.'s method of translating foreign currency financial statements as described in Note B to the consolidated financial statements.

As described in Note M to the consolidated financial statements, the Company is a defendant in a lawsuit alleging pollution of the property and groundwater at a site formerly owned by the Company. The ultimate outcome of the lawsuit cannot be determined, and no provision for any liability that may result has been made in the financial statements.

In our opinion, based upon our examinations and the aforementioned reports of other auditors, and subject to the effects of such adjustments, if any, as might have been required had the outcome of the uncertainty referred to in the preceding paragraph been known, the financial statements referred to above present fairly the consolidated financial position of Reilly Tar & Chemical Corporation and subsidiaries at December 31, 1981 and 1980, and the consolidated results of their operations and changes in their financial position for the years then ended, in conformity with generally accepted accounting principles which, except as noted in the first paragraph, have been applied on a consistent basis.

Ernst & Whinney

Indianapolis, Indiana
April 30, 1982